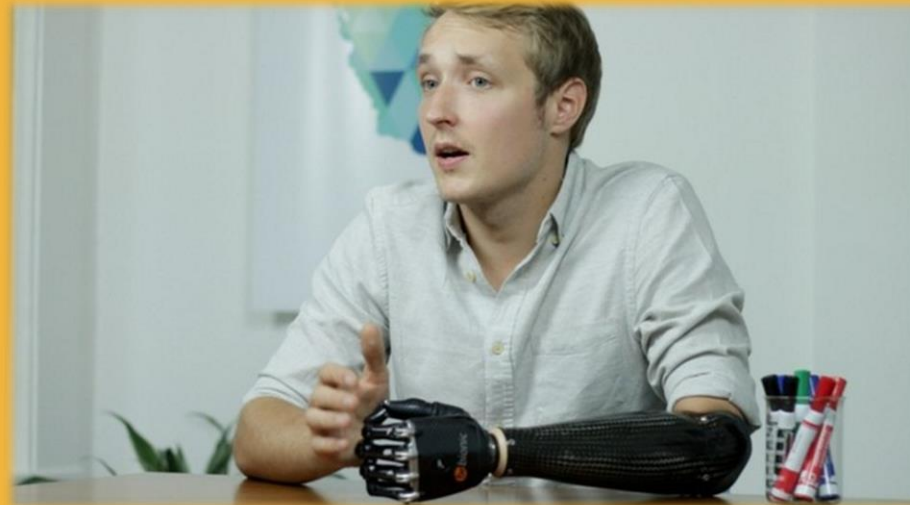


# INTRO TO ENTREPRENEURSHIP



Intro to Entrepreneurship



# Section 11

## Ways of coming up with ideas



# Lecture 67

## Problem based business ideas

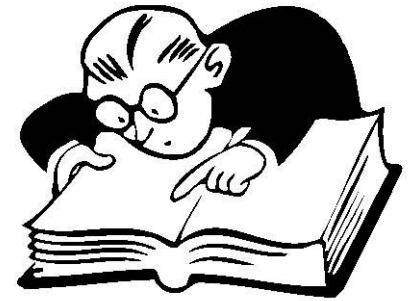
# Problem based business ideas



- The technique of solving problems
- Search the story of 5 companies and you will see probably 60% are based on solving a problem
- This strategy is the most promoted in the media

# Problem based business ideas

- You have a problem and you try to build a solution
- If other people have this problem, it will be a success



# Problem based business ideas

## Dropbox:



- it syncs all files on your computer, tablet, phone, and they have external storage at their servers
- the founder had to bring work from home to the office, and sometimes he forgot his memory stick
- he found a solution to his problem

# Problem based business ideas

Mint.com:



- it generates reports based on your bank information
- the founder was struggling with an app that was not working properly, and he created his own system



# Problem based business ideas

Why problem based business ideas are effective:

1. People are invested in solving problems, because they're oriented towards pain avoidance and convenience
2. Problems are worth fixing
3. Problems are often the source of big business ideas



# Problem based business ideas

Steps to follow to make this technique work:

## #1 Identification

- take the scratchpad and write down everything you had a problem with
- mark the big problems and minor ones



# Problem based business ideas

Steps to follow to make this technique work:

## #2 See if others have this problem

- how many people have this problem?



## #3 The tier test: is this a tier one problem?

- is the problem you're solving in the top 3 problems of the client?

# Problem based business ideas

## Deep well versus wide well



- It's better to have a few people who want it very much, rather than a lot of people who are not that interested
- A lot of people who want it very much = probably a lot of competition or very expensive to solve it



# Lecture 68

## Wouldn't it be great if

# Wouldn't it be great if

- “Wouldn't it be great if...?”
- Answer the question, think about something that would be awesome if it were true
- You can compare this with the 5 types of innovation
- You're looking for a **benefit based** business



# Wouldn't it be great if

Uber:



- It started with a thought experiment
- The founders were wealthy and driving around in limousines, and they thought, “Wouldn’t it be great if I could order a limousine from my phone?”
- They thought that would just be cool and the idea evolved from there

# Wouldn't it be great if



- "Great" is a strong word
- If you can get excited about this, other people can too
- Write all your ideas on the scratchpad
- Think about whether you can actually do those things
- Those are potential opportunities



# Lecture 69

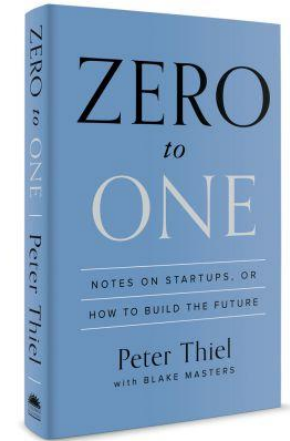
## Imagine the future



# Imagine the future

Peter Thiel - “Zero to One”:

- "What great business in the future isn't being built today?"



- He came up with this question as a way to vet how creative people are
- It's used in job interviews as well

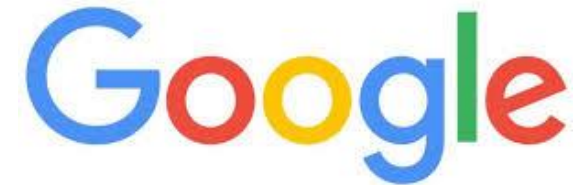
# Imagine the future

- Can you imagine the future and what great companies will exist then?
- What problems will the world have?
- What companies will solve them?
- Imagine how the future is going to look like



# Imagine the future

- Ideas don't sound great at first, but if you think about it in the future, it will sound better
- If you thought about Google in 1999 you would've probably thought it's ridiculous



# Imagine the future

- In order to be the big company of the future, you have to start it now
- Make predictions for the future and work backwards
- Peter Thiel: “All big businesses are based off of secrets”
- Ask yourself: What do you know it's absolutely true that others don't know?





# Lecture 70

## Reverse imagination

# Reverse imagination

- Think about the past and what was ridiculous back then or inefficient
- What makes you say, “This was stupid”?
- Imagine you're in the future 15-20-50 years
- What you'll be looking back and see as dumb?



# Reverse imagination

- PayPal was based on the same premise that they thought it's silly that we couldn't transfer money online



- You can look at old commercials and notice things



# Lecture 71

## The fit generator





# The fit generator

- Go to the Hobbies, Passion, Skills, Experiences sheet
- Focus on hobbies and skills
- See if you can **match two of them** to create a business idea

Action (skills) + passion + customer demand (hobbies)

# The fit generator

Example: Baking & Web development

- create a blog with recipes
- online eCommerce shop for recipes
- app that helps bakers save recipes



# The fit generator



- Combine a **hobby** and a **skill** with a **business model**

Example:

- On demand - delivering baked goods
- Shared economy - app for selling leftover baked goods
- Subscription service - customized recipes website

# The fit generator

- If you have skills, you are more likely to succeed
- If you have passion, you will be more motivated
- Create something that's value adding
- If you don't like it in the end, go back and repeat the process





# Lecture 72

## Cater to power users

# Cater to power users



- **Power user** - anyone who uses a service or a platform the most and gets the most out of it
- Power users are a few people who take up a large percentage of the market

# Cater to power users

Examples:



- **Ebay**
  - Power users sell 50-100 times more than a regular seller
  - Consignment stores are businesses that work with power users to help with their store

# Cater to power users



Examples:

- What are the needs of the power users on [Ebay](#)?
  - improving their listings
  - managing excess inventory
  - shipping
  - automatic posting on other websites



# Cater to power users

Examples:



- Amazon - needs of the power users:
  - returns and refunds
  - “gold rush phenomenon” - people selling kindle books

# Cater to power users

Examples:

- **Udemy** - needs of the power users:
  - analytics are too complicated
  - there's no option for split testing
  - getting course thumbnails designed
  - course promotion packages
  - help with design, intro/outro video bumpers



# Cater to power users

- Pick a platform, research it, see what power users need, and cater to them
- It works better on newer platforms
- Udemy is a good example of a new one
- Find a community where people need your services





# Lecture 73

## Reposition good/fast/cheap

# Reposition good/fast/cheap



- The theory of good, fast and cheap
- This usually applies to service based businesses
- Every business can be rated on the three dimensions
- You can only be 2/3



# Reposition good/fast/cheap

- Take a look at your HPSE sheet and pick something
- Think of an existing business in that space that you like
- Think how you can **give their service in another way**, based on the good-fast-cheap theory
- Figure out the two elements that company is going for

# Reposition good/fast/cheap

- If they're good and fast, but expensive, you have two options to think about: cheap and good, cheap and fast

Example: **Instacart** - on demand business, they concentrate on being fast, they're not really cheap, and not necessarily good



# Reposition good/fast/cheap

- **Fast + cheap** - find a logistic system that could work with lower cost labor, or have your own grocery store
- **Good + cheap** - ship what you're looking for, buying in bulk saves money
- This is actually a company called Boxed

The logo for Boxed, featuring the word "Boxed" in a teal, cursive-style font.